

# **Evanston Community Foundation, Inc. and Subsidiary**

## **Independent Auditor's Report and Consolidated Financial Statements**

**December 31, 2017 and 2016**

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## TABLE OF CONTENTS

	PAGE
Independent Auditor's Report	1-2
Consolidated Financial Statements:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-22
Supplementary Information	
Consolidating Statement of Financial Position Information	23
Consolidating Statement of Activities and Changes in Net Assets Information	24

## Independent Auditor's Report

Board of Directors  
Evanston Community Foundation, Inc.  
and Subsidiary  
Evanston, Illinois

We have audited the accompanying consolidated financial statements of Evanston Community Foundation, Inc. and Subsidiary which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Evanston Community Foundation, Inc. and Subsidiary as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as listed on the table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual organizations, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*BKD, LLP*

Oakbrook Terrace, Illinois  
June 21, 2018

**Evanston Community Foundation, Inc. and Subsidiary**  
Consolidated Statements of Financial Position

	December 31	
	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,297,379	\$ 1,058,001
Accounts receivable		
Pledges receivable	169,300	47,300
Investment income receivable	5,264	22,088
Other receivables	24,166	21,425
Investments, at fair value	22,720,507	19,848,433
Prepaid expenses and other assets	8,360	8,441
Leasehold improvements, furniture and equipment, net	<u>36,333</u>	<u>58,957</u>
 Total assets	 <u>\$ 25,261,309</u>	 <u>\$ 21,064,645</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 35,293	\$ 36,517
Deferred revenue	29,730	27,900
Deferred lease incentive	13,650	22,750
Grants payable	259,143	212,282
Charitable gift annuities payable	9,875	11,312
Funds held as agency endowments	<u>4,528,880</u>	<u>3,880,993</u>
 Total liabilities	 <u>4,876,571</u>	 <u>4,191,754</u>
 <b>NET ASSETS</b>		
Unrestricted	8,768,861	6,895,196
Temporarily restricted	11,586,685	9,948,503
Permanently restricted	<u>29,192</u>	<u>29,192</u>
 Total net assets	 <u>20,384,738</u>	 <u>16,872,891</u>
 Total liabilities and net assets	 <u>\$ 25,261,309</u>	 <u>\$ 21,064,645</u>

See Notes to Consolidated Financial Statements

**Evanston Community Foundation, Inc. and Subsidiary**  
Consolidated Statement of Activities and Changes in Net Assets  
Year Ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES</b>				
Support revenue				
Board-designated endowment and field of interest contributions	\$ 208,537	\$ 154,847	\$ -	\$ 363,384
Operating contributions	1,003,155	98,800	-	1,101,955
Other fund contributions	<u>1,052,214</u>	<u>287,443</u>	<u>-</u>	<u>1,339,657</u>
	<u>2,263,906</u>	<u>541,090</u>	<u>-</u>	<u>2,804,996</u>
Program revenue				
Tuition and fees plus event revenue - net	<u>54,823</u>	<u>-</u>	<u>-</u>	<u>54,823</u>
Investment income				
Interest and dividends	324,870	295,361	-	620,231
Realized gains on investments, net	1,365,784	1,181,768	-	2,547,552
Unrealized gains on investments, net	30,224	81,431	-	111,655
Funds held as agency endowments	<u>(593,984)</u>	<u>-</u>	<u>-</u>	<u>(593,984)</u>
	<u>1,126,894</u>	<u>1,558,560</u>	<u>-</u>	<u>2,685,454</u>
Net assets released from restrictions	<u>812,873</u>	<u>(812,873)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>4,258,496</u>	<u>1,286,777</u>	<u>-</u>	<u>5,545,273</u>
<b>EXPENSES</b>				
Program services	<u>1,999,593</u>	<u>-</u>	<u>-</u>	<u>1,999,593</u>
Supporting services				
Management and general	203,247	-	-	203,247
Fund raising	<u>181,991</u>	<u>-</u>	<u>-</u>	<u>181,991</u>
	<u>385,238</u>	<u>-</u>	<u>-</u>	<u>385,238</u>
Total expenses	<u>2,384,831</u>	<u>-</u>	<u>-</u>	<u>2,384,831</u>
CHANGE IN NET ASSETS BEFORE OTHER ACTIVITIES	1,873,665	1,286,777	-	3,160,442
<b>OTHER ACTIVITIES</b>				
Contribution received in the acquisition of change in control of Evanston Cradle to Career, LLC	<u>-</u>	<u>351,405</u>	<u>-</u>	<u>351,405</u>
CHANGE IN NET ASSETS	1,873,665	1,638,182	-	3,511,847
Net assets, beginning of year	<u>6,895,196</u>	<u>9,948,503</u>	<u>29,192</u>	<u>16,872,891</u>
NET ASSETS, END OF YEAR	<u>\$ 8,768,861</u>	<u>\$ 11,586,685</u>	<u>\$ 29,192</u>	<u>\$ 20,384,738</u>

**Evanston Community Foundation, Inc. and Subsidiary**

## Statement of Activities and Changes in Net Assets

Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES</b>				
Support revenue				
Board-designated endowment and field of interest contributions	\$ 289,402	\$ 252,105	\$ -	\$ 541,507
Operating contributions	915,610	22,910	-	938,520
Other fund contributions	206,306	168,385	-	374,691
	<u>1,411,318</u>	<u>443,400</u>	<u>-</u>	<u>1,854,718</u>
Program revenue				
Tuition and fees plus event revenue - net	<u>53,808</u>	<u>-</u>	<u>-</u>	<u>53,808</u>
Investment income (loss)				
Interest and dividends	270,599	244,600	-	515,199
Realized losses on investments, net	(27,850)	(25,789)	-	(53,639)
Unrealized gains on investments, net	628,253	359,072	-	987,325
Funds held as agency endowments	(228,251)	-	-	(228,251)
	<u>642,751</u>	<u>577,883</u>	<u>-</u>	<u>1,220,634</u>
Net assets released from restrictions	<u>479,150</u>	<u>(479,150)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>2,587,027</u>	<u>542,133</u>	<u>-</u>	<u>3,129,160</u>
<b>EXPENSES</b>				
Program services	<u>1,815,939</u>	<u>-</u>	<u>-</u>	<u>1,815,939</u>
Supporting services				
Management and general	266,320	-	-	266,320
Fund raising	188,925	-	-	188,925
	<u>455,245</u>	<u>-</u>	<u>-</u>	<u>455,245</u>
Total expenses	<u>2,271,184</u>	<u>-</u>	<u>-</u>	<u>2,271,184</u>
CHANGE IN NET ASSETS	315,843	542,133	-	857,976
Net assets, beginning of year	<u>6,579,353</u>	<u>9,406,370</u>	<u>29,192</u>	<u>16,014,915</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 6,895,196</u>	<u>\$ 9,948,503</u>	<u>\$ 29,192</u>	<u>\$ 16,872,891</u>

See Notes to Consolidated Financial Statements

**Evanston Community Foundation, Inc. and Subsidiary**

Consolidated Statement of Functional Expenses

Year Ended December 31, 2017

	Supporting Services				Total
	Program Services	Management and General	Fund Raising	Total	
Personnel					
Salaries	\$ 473,124	\$ 106,054	\$ 85,849	\$ 191,903	\$ 665,027
Payroll taxes and benefits	84,747	18,021	17,745	35,766	120,513
Staff and board expenses	<u>23,294</u>	<u>11,344</u>	<u>7,666</u>	<u>19,010</u>	<u>42,304</u>
Total personnel	581,165	135,419	111,260	246,679	827,844
Annual report and newsletters	30,429	-	7,919	7,919	38,348
Class and meeting expense	19,473	-	-	-	19,473
Communications	42,264	4,934	29,706	34,640	76,904
Dues and subscriptions	3,712	3,050	863	3,913	7,625
Office expenses and supplies	13,166	11,569	7,913	19,482	32,648
Postage	1,596	3,603	8,195	11,798	13,394
Printing	10,658	2,766	1,326	4,092	14,750
Professional fees	51,634	15,924	3,368	19,292	70,926
Occupancy expenses	52,384	11,820	11,441	23,261	75,645
Depreciation and amortization	<u>14,162</u>	<u>14,162</u>	<u>-</u>	<u>14,162</u>	<u>28,324</u>
Total operating expenses	<u>820,643</u>	<u>203,247</u>	<u>181,991</u>	<u>385,238</u>	<u>1,205,881</u>
Donor advised grants	185,330	-	-	-	185,330
Foundation grants awarded	749,678	-	-	-	749,678
Fiscal sponsorship grants and expenses	<u>243,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243,942</u>
Total grants and related expenses	<u>1,178,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,178,950</u>
Total functional expenses	<u>\$ 1,999,593</u>	<u>\$ 203,247</u>	<u>\$ 181,991</u>	<u>\$ 385,238</u>	<u>\$ 2,384,831</u>

See Notes to Consolidated Financial Statements

**Evanston Community Foundation, Inc. and Subsidiary**  
Statement of Functional Expenses  
Year Ended December 31, 2016

	Supporting Services				Total
	Program Services	Management and General	Fund Raising	Total	
Personnel					
Salaries	\$ 596,081	\$ 102,815	\$ 106,282	\$ 209,097	\$ 805,178
Payroll taxes and benefits	84,288	19,569	16,903	36,472	120,760
Staff and board expenses	<u>10,453</u>	<u>8,995</u>	<u>5,192</u>	<u>14,187</u>	<u>24,640</u>
Total personnel	690,822	131,379	128,377	259,756	950,578
Annual report and newsletters	20,790	-	5,441	5,441	26,231
Class and meeting expense	24,948	-	-	-	24,948
Communications	22,647	4,249	29,350	33,599	56,246
Dues and subscriptions	3,322	2,562	1,164	3,726	7,048
Office expenses and supplies	6,675	14,580	3,273	17,853	24,528
Postage	1,138	5,530	8,804	14,334	15,472
Printing	2,898	8,159	-	8,159	11,057
Professional fees	76,565	72,117	2,645	74,762	151,327
Occupancy expenses	47,423	9,500	9,871	19,371	66,794
Depreciation and amortization	<u>18,244</u>	<u>18,244</u>	<u>-</u>	<u>18,244</u>	<u>36,488</u>
Total operating expenses	<u>915,472</u>	<u>266,320</u>	<u>188,925</u>	<u>455,245</u>	<u>1,370,717</u>
Donor advised grants	232,007	-	-	-	232,007
Foundation grants awarded	<u>668,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668,460</u>
Total grants and related expenses	<u>900,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>900,467</u>
Total functional expenses	<u>\$ 1,815,939</u>	<u>\$ 266,320</u>	<u>\$ 188,925</u>	<u>\$ 455,245</u>	<u>\$ 2,271,184</u>

**Evanston Community Foundation, Inc. and Subsidiary**  
Consolidated Statements of Cash Flows

	Years Ended December 31,	
	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 3,511,847	\$ 857,976
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Net investment gains	(2,659,207)	(933,686)
Depreciation and amortization	28,324	36,488
Stock gifts donated to investment account	(425,318)	(209,959)
Contribution received in acquisition of EC2C	(351,405)	-
(Increase) decrease in:		
Pledges receivable	(122,000)	12,443
Investment income receivable	16,824	(1,316)
Other receivables	(2,741)	(9,664)
Prepaid expenses and other assets	81	5,425
Increase (decrease) in:		
Accounts payable and accrued liabilities	(1,224)	(27,985)
Deferred revenue	1,830	2,250
Deferred lease incentive	(9,100)	(13,650)
Grants payable	46,861	85,099
Agency funds	647,887	863,281
Charitable gift annuities payable	(1,437)	(1,437)
	<u>681,222</u>	<u>665,265</u>
Net cash provided by operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of leasehold improvements, furniture and equipment	(5,700)	(14,500)
Proceeds from investments	9,014,798	2,397,163
Purchase of investments	(8,802,347)	(3,587,693)
Net cash received in acquisition of EC2C	<u>351,405</u>	<u>-</u>
	<u>558,156</u>	<u>(1,205,030)</u>
Net cash provided by (used in) investing activities		
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,239,378	(539,765)
Cash and cash equivalents		
Beginning of year	<u>1,058,001</u>	<u>1,597,766</u>
End of year	<u>\$ 2,297,379</u>	<u>\$ 1,058,001</u>

## **NOTE 1 – ORGANIZATION ACTIVITIES**

The Evanston Community Foundation, Inc. (“ECF”) is an Illinois not-for-profit corporation. The ECF’s primary mission is to help Evanston thrive now and forever as a vibrant, inclusive and just community by building, connecting and distributing resources and knowledge through local organizations for the public good.

The Evanston Community Foundation, Inc. –

- Builds endowments for current and future opportunities
- Fosters private philanthropy
- Focuses the impact of collective giving
- Allocates grants
- Provides community leadership training

ECF strengthens the community’s nonprofit organizations and serves its donors through innovative grantmaking and partnerships with other philanthropic organizations and individuals. Through ongoing interactions with grantees, the ECF adds value through its grants and assesses the effectiveness of its grantmaking. Its programs increase the impact of the community’s nonprofits and support the goals most recently articulated in ECF’s 2017-19 strategic plan:

- An Evanston that is inclusive and equitable for all
- An empowered and engaged community that collaborates across sectors to define problems and work on solutions
- A thriving nonprofit sector

ECF’s program and service areas include, in order of their creation:

- Endowment and other funds to achieve philanthropic goals of donors and to support the ECF’s programs and operations, as well as those of local nonprofit organizations
- Responsive grants – one-year grants addressing a broad range of Evanston needs and opportunities and funded through the ECF’s unrestricted and field of interest funds, contributions from Northwestern University Dance Marathon, and contributions from grantmaking partners, including family foundations and donor advised funds
- Leadership Evanston, a year-long program to build civic engagement and leadership, as well as several shorter programs
- root2fruit, a three-year capacity building program for small and midsize nonprofits, funded in partnership with the Mammel Foundation
- Nonprofit workshops, providing continuing education for nonprofit staff and board members
- Communityworks Initiative, which supports the goals of *Every child ready for kindergarten*, *Every youth ready for work* through support for work primarily in early childhood, funded through the ECF’s largest endowment fund, the Communityworks Fund
- Partners for the Future, a challenge program to build nonprofit capacity to raise major gifts, funded through a donor advised fund
- Catalyst grants, small grants to respond quickly to emergency needs and emerging nonprofit opportunities
- Rolling grants – one-year grants of up to \$5,000 awarded quarterly for capacity building collaborations, pilot programs or time-sensitive needs or opportunities
- Building the Future, a major gifts matching challenge combined with a major gifts training and coaching program

**NOTE 1 – ORGANIZATION ACTIVITIES (Continued)**

ECF staff assist donors in attaining their philanthropic goals and support nonprofits as they work to strengthen their organizations and collaborate across Evanston. Through the intersection of these activities, the ECF fosters collaborative community leadership and encourages local charitable giving.

The ECF's primary funding sources are contributions, grants, and investment earnings.

On July 1, 2017, ECF became the fiscal sponsor for Evanston Cradle to Career ("EC2C"). EC2C is a collaborative organization comprising more than 40 civic, education, and nonprofit organizations and 150 community members striving to improve the futures for all Evanston youth. EC2C follows a nationally recognized "collective impact" model, and its members work collaboratively to overcome obstacles, divisions, and long-standing inequities by identifying gaps, challenging systems, and building trust. ECF established an LLC – the Evanston Cradle to Career, LLC ("LLC") – solely to facilitate the fiscal sponsorship of EC2C. ECF is the sole corporate member of LLC, and LLC has the singular function of managing the fiscal affairs of EC2C. Note 4 presents additional information on the fiscal sponsorship.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PRESENTATION**

The consolidated financial statements include the accounts of Evanston Community Foundation, Inc. and its controlled subsidiary Evanston Cradle to Career, LLC (collectively referred to as the "Foundation"). All material inter-organizational accounts and transactions have been eliminated in consolidation. The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**BASIS OF ACCOUNTING**

The consolidated financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

**FUND ACCOUNTING**

For internal purposes and in order to comply with restrictions donors place on contributions or designations made by the Board, the principles of fund accounting are used. The Foundation has established separate funds for significant contributions intended for specific use, either as directed by the donor or as determined by the Foundation's Board of Directors ("the Board"). At the inception of a fund, the Foundation and the donor execute an agreement defining the spending policy and providing for the allocation of investment returns and accounting and investment expenses. In addition, fund agreements provide for the Foundation to assess an annual fee for fund services and administration.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **USE OF ESTIMATES**

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **NET ASSET CLASSIFICATIONS**

Net assets are classified according to the Foundation's governing documents and, depending on the specific terms of fund agreements with the donor, may be recorded as permanently restricted, temporarily restricted or unrestricted.

*Unrestricted net assets* are those assets that are not subject to donor-imposed stipulations plus those resources for which temporary, donor-imposed stipulations have been satisfied. Unrestricted net assets may also be designated for specific purposes by action of the Board.

Donor Advised Funds are established by the Board with contributions received from individual donors and are governed by agreements that allow the donors to recommend distributions to eligible 501(c)(3) charitable organizations. Although donors retain the right to request distributions to specified organizations or organizations to be named in the future, the Board is not obligated to comply with the donor distribution request and therefore these funds are almost always considered unrestricted. Donor Advised Funds may also be temporarily restricted as to purpose.

*Temporarily restricted net assets* are those assets subject to donor-imposed stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions.

*Permanently restricted net assets* include gifts and bequests which donors have specified must be maintained in perpetuity. Donors may specify that the related income may increase the corpus, be expended for such purpose as specified by the donor, or if none specified, then for general purposes as directed by the Foundation's management and Board of Directors.

### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash in financial institutions and money market funds, and includes \$1,426,117 and \$457,020 held in a custodial account at December 31, 2017 and 2016, respectively.

### **RECEIVABLES**

Receivables consist of pledges, contributions and accrued investment income, and are reported at net realizable value, which is the amount management expects to collect from balances outstanding at year-end. Unconditional promises to give or pledges expected to be collected within one year are recorded at net realizable value at the date of receipt. To the extent there are any unconditional promises to give expected to be collected in future

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

years, those are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates determined to be applicable to the years in which the promises are received. Conditional promises to give are not included as support until the conditions are substantially met. Management considers receivables to be collectible at December 31, 2017 and 2016. Accordingly, no allowance for doubtful accounts is required. The preponderance of pledges receivable at December 31, 2017 and 2016, were due within one year.

**INVESTMENTS AND SPENDING POLICY**

The Foundation has an Investment and Spending Policy to preserve, in perpetuity, the purchasing power of its assets while providing a growing stream of income to fund grants and programs, and to support its operations (see Note 5). Investments are stated at fair market value primarily based on quoted market prices. Investment income is recorded on the accrual basis; purchases and sales of investments are reflected on a trade-date basis. Unrealized gains or losses are based on the change in market value of the assets from the beginning to the end of the fiscal year. Realized gains or losses are based on the change in market value of the assets from the date acquired to the date of sale. Investment revenues are reported net of related investment expenses in the consolidated statement of activities and changes in net assets.

The Foundation's articles of incorporation and fund agreements provide for distributions from the funds of the Foundation in accordance with the Investment and Spending Policy. The policy provides for spending a maximum of 6% and a minimum of 3.5% of the three-year moving average of the fund market value. The Board determines the percentage to be used for the spending objective as part of the budget process. The policy also provides for the Foundation to spend funds which do not affect the board-designated endowment funds, such as contributions for current grantmaking, programs or administrative expenses; income from fees and tuition; grants from donor advised funds; distributions from agency funds; charitable gift annuity payments; and other amounts determined by the Board to be allocated to the budget.

**LEASEHOLD IMPROVEMENTS, FURNITURE AND EQUIPMENT**

Leasehold improvements, furniture and equipment are recorded at cost and depreciated or amortized on a straight-line basis over the estimated useful lives of the assets, except for leasehold improvements which are amortized over the shorter of the term of the lease or estimated useful life. Major renewals and betterments of \$500 or more which extend the useful life of an asset are capitalized, while routine maintenance and repairs are expensed as incurred. The estimated useful lives of the various classes of assets are as follows:

- Computers, software and website - 3 years
- Leasehold improvements - 5 years
- Office equipment - 3-5 years
- Furniture - 7 years

**DEFERRED LEASE INCENTIVE**

When a lease includes incentives (such as reimbursement of certain lessee construction costs), the incentives are amortized as a reduction to rent expense on a straight-line basis over the term of the lease. The net book value of the lease incentives is classified as deferred lease incentive in the accompanying consolidated statements of financial position.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**CONTRIBUTIONS**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

**RECOGNITION OF SUPPORT AND REVENUE**

Contributions from the general public or private foundation grants are recognized as support revenue. All contributions and private grants are considered available for unrestricted use unless specifically restricted by the donor or by laws and regulations.

Contributions primarily consist of cash and securities received from donors. Securities and other assets received as contributions are recorded at fair market value at the date of gift.

Tuition, fees and events are recognized during the period they are earned and are reflected net of scholarships of \$9,930 in 2017 and \$11,320 in 2016.

**CONTRIBUTED GOODS AND SERVICES**

The Foundation occasionally receives donated goods and services for its meetings and programs. In 2017 and 2016, the Foundation received and recorded in-kind donations with a value of \$0 and \$1,463, respectively. In addition, a substantial number of unpaid volunteers and members of the Foundation's Board of Directors make significant contributions of their time to the Foundation and its programs. The value of these services is not reflected in these consolidated financial statements since they do not meet the criteria for recognition.

**GRANT EXPENSE**

Grants made are recorded in the year that the funds are authorized by the Board of Directors. Funds authorized but not disbursed are reported in the consolidated statements of financial position as grants payable.

**FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets. Expenses are charged directly to programs, management and general or fundraising categories based upon specific identification where possible. Other costs have been allocated to the programs and supporting services based on appropriate methods determined by management. These costs include, among others, personnel costs, communications expenses, occupancy costs, and office expenses and supplies.

**NOTE 3 – TAX STATUS**

The Foundation is an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of the state law. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. The Foundation recognizes the consolidated financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The Foundation has no on-going federal or state income tax audits.

**NOTE 4 – FISCAL SPONSORSHIP**

On July 1, 2017, the Foundation became the fiscal sponsor for Evanston Cradle to Career (EC2C). Evanston Township High School, the former fiscal sponsor for EC2C, transferred the net assets of EC2C to the Foundation in July 2017 to capitalize Evanston Cradle to Career, LLC. Additionally, all of the employees of EC2C, as well as EC2C’s contracts and agreements, were transferred to the Foundation. There was no consideration transferred for this transaction. This change in control is an effort to fulfill and carry out the mission under a governance structure that is most effective for the collective organizations.

The following table summarizes the amounts of the assets acquired and liabilities assumed recognized at the acquisition date:

Cash and cash equivalents	<u>\$ 351,405</u>
Total identifiable net assets - contribution received	<u>\$ 351,405</u>

The acquisition resulted in an inherent contribution received of \$351,405, which represents the net recognized amount of the identifiable assets acquired over the liabilities assumed. This amount has been included in other activities in the consolidated statement of activities and changes in net assets.

**NOTE 5 – CONCENTRATIONS**

In 2017 and 2016, five donors provided approximately 43% and 32%, respectively, of total support revenues.

The Foundation maintains cash in bank deposit and money market accounts which, at times, may exceed insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2017, the Foundation had funds in excess of insured limits of approximately \$432,000.

The invested assets of the Foundation are held in a custodial account of a major financial institution that maintains private insurance in an amount exceeding the Foundation’s assets to cover any potential fiduciary loss. Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the Foundation and the amounts reported in the consolidated statements of financial position and activities and changes in net assets. The Foundation has a diversified investment portfolio designed to maximize investment return and minimize market risk.

**NOTE 6 – INVESTMENTS**

The Foundation’s objective is to achieve over time an annual total return that exceeds budgeted spending plus an amount equal to the increase in the Consumer Price Index during the preceding year. The current spending policy is to distribute an amount equal to 5% of a moving three year average of the Foundation’s endowed fund balances. The Foundation’s Board of Directors approves the spending policy each year, within the range of 3.5% to 6%.

The investment policy has guidelines regarding both percentage allocations to asset classes as well as to holdings within asset classes. The Foundation’s Board has adopted the following asset allocation strategy to achieve its investment objective. The 2017 and 2016 portfolios were within policy guidelines.

	Overall Asset Allocation	Intra Asset-Class Allocation		
		Domestic Markets	Foreign Including Emerging Markets	Other Categories
Equities	45-65%	min. 30%	max. 20%	
Fixed income	15-35%	min. 15%	max. 10%	
Other*	0-20%			max. of 10% in any of 4 subcategories*

\*Other may include investments in real estate, commodity indexes, hedge funds or private equity.

**NOTE 7 – FAIR VALUE MEASUREMENTS AND DISCLOSURES**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

*Level 1:* Quoted prices in active markets for identical assets or liabilities

*Level 2:* Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

The Foundation’s financial assets valued using Level 2 inputs are based primarily on the net asset value as reported by the investment management company, based upon the quoted market prices of the underlying fund investments.

*Level 3:* Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities. There were no Level 3 assets as of December 31, 2017 and 2016.

**Evanston Community Foundation, Inc. and Subsidiary**  
Notes to Consolidated financial Statements  
December 31, 2017 and 2016

**NOTE 7 – FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)**

The assets' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at December 31, 2017 and 2016.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair values of assets measured on a recurring basis at December 31, 2017 and 2016, are as follows:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2017				
Equity mutual funds				
Domestic	\$ 10,835,600	\$ 10,835,600	\$ -	\$ -
International	4,290,891	4,290,891	-	-
Fixed income mutual funds				
Domestic	3,908,711	3,908,711	-	-
International	477,704	477,704	-	-
U.S. treasury obligations	1,007,739	1,007,739	-	-
Other	<u>2,199,862</u>	<u>2,199,862</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 22,720,507</u>	<u>\$ 22,720,507</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2016				
Equity mutual funds				
Domestic	\$ 9,934,945	\$ 9,934,945	\$ -	\$ -
International	3,322,689	3,322,689	-	-
Fixed income mutual funds				
Domestic	2,979,302	2,979,302	-	-
International	369,961	369,961	-	-
U.S. treasury obligations	1,157,733	1,157,733	-	-
Other	<u>2,083,803</u>	<u>2,083,803</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 19,848,433</u>	<u>\$ 19,848,433</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 8 – LEASEHOLD IMPROVEMENTS, FURNITURE AND EQUIPMENT**

Leasehold improvements, furniture and equipment consists of the following at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Computers, software and website	\$ 173,612	\$ 167,912
Leasehold improvements	53,445	53,445
Office equipment	12,127	12,127
Furniture	<u>3,403</u>	<u>3,403</u>
	242,587	236,887
Less: accumulated depreciation and amortization	<u>206,254</u>	<u>177,930</u>
	<u>\$ 36,333</u>	<u>\$ 58,957</u>

Depreciation and amortization expense was \$28,324 in 2017 and \$36,488 in 2016.

**NOTE 9 – FUNDS HELD AS AGENCY ENDOWMENTS**

Funds held as agency endowments represent assets of other nonprofit organizations that have been conveyed to the Foundation to establish funds for the benefit of the organizations. The assets become a part of the Foundation’s investment portfolio, and receive an allocation of investment returns, as well as of investment and accounting expenses. These funds are also assessed an administrative fee.

The Foundation currently holds 30 funds from 16 organizations. The fair value of these funds was \$4,528,880 at December 31, 2017, and \$3,880,993 at December 31, 2016. The Foundation may receive contributions to these funds, and the organizations receive periodic distributions from the funds. Total contributions received were \$180,975 in 2017 and \$726,139 in 2016. Total distributions were \$127,072 in 2017 and \$91,109 in 2016.

In accordance with generally accepted accounting principles, these assets are reported in the consolidated statements of financial position as a liability entitled *Funds held as agency endowments*. Accordingly, such assets received by the Foundation are not included in the consolidated statements of activities and changes in net assets as contributions to the Foundation.

**Evanston Community Foundation, Inc. and Subsidiary**  
Notes to Consolidated financial Statements  
December 31, 2017 and 2016

**NOTE 10 – ENDOWMENT FUNDS**

The composition of Endowment Funds by type of fund as of December 31, 2017 and 2016, is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
December 31, 2016				
Board-designated endowments	\$ 5,385,671	\$ -	\$ -	\$ 5,385,671
Board-directed field of interest endowment funds	-	8,564,886	-	8,564,886
Donor-designated endowment funds	<u>-</u>	<u>979,587</u>	<u>29,192</u>	<u>1,008,779</u>
	<u>\$ 5,385,671</u>	<u>\$ 9,544,473</u>	<u>\$ 29,192</u>	<u>\$ 14,959,336</u>
December 31, 2017				
Board-designated endowments	\$ 6,233,401	\$ -	\$ -	\$ 6,233,401
Board-directed field of interest endowment funds	-	9,589,614	-	9,589,614
Donor-designated endowment funds	<u>-</u>	<u>1,092,581</u>	<u>29,192</u>	<u>1,121,773</u>
	<u>\$ 6,233,401</u>	<u>\$ 10,682,195</u>	<u>\$ 29,192</u>	<u>\$ 16,944,788</u>

Changes in Endowment Net Assets for the years ended December 31, 2017 and 2016, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
December 31, 2015	\$ 5,084,941	\$ 9,000,784	\$ 29,192	\$ 14,114,917
Contributions	296,725	330,507	-	627,232
Interest and dividends	95,993	150,184	610	246,787
Net realized losses	(14,082)	(24,576)	(89)	(38,747)
Net unrealized gains	288,233	417,310	1,873	707,416
Amounts released for expenditure	<u>(366,139)</u>	<u>(329,736)</u>	<u>(2,394)</u>	<u>(698,269)</u>
December 31, 2016	5,385,671	9,544,473	29,192	14,959,336
Contributions	257,037	91,592	-	348,629
Interest and dividends	106,037	183,944	655	290,636
Net realized gains	657,051	1,139,802	4,057	1,800,910
Net unrealized gains	95,409	181,553	620	277,582
Amounts released for expenditure	<u>(267,804)</u>	<u>(459,169)</u>	<u>(5,332)</u>	<u>(732,305)</u>
December 31, 2017	<u>\$ 6,233,401</u>	<u>\$ 10,682,195</u>	<u>\$ 29,192</u>	<u>\$ 16,944,788</u>

**Evanston Community Foundation, Inc. and Subsidiary**  
Notes to Consolidated financial Statements  
December 31, 2017 and 2016

**NOTE 11 – NET ASSETS**

Accounting policies related to Net Assets are presented in Note 2. Information regarding the three categories of net assets is as follows:

*Unrestricted net assets* at December 31, 2017 and 2016, consist of:

	<u>2017</u>	<u>2016</u>
<b>Endowed Funds</b>		
Board-designated Endowment Fund for Evanston	\$ 4,165,918	\$ 3,723,845
Board-designated Foundation and Leadership		
Endowment Funds	<u>2,067,483</u>	<u>1,661,826</u>
Total Endowed Funds	<u>6,233,401</u>	<u>5,385,671</u>
<b>Unendowed Funds</b>		
General Operating Fund	102,698	91,832
Donor Advised Funds	<u>2,432,762</u>	<u>1,417,693</u>
Total Unendowed Funds	<u>2,535,460</u>	<u>1,509,525</u>
	<u>\$ 8,768,861</u>	<u>\$ 6,895,196</u>

The Board-designated, endowed Fund for Evanston, the Foundation Fund, as well as the Leadership Endowment Fund, have been designated by the Board to grow in perpetuity while generating annual spending allowances to support Foundation operations, grantmaking and programs. The General Operating Fund, also known as the Annual Fund, was established in 2000 for funding the Foundation's day-to-day operations.

In 2017, the Board approved, as requested, spending from unrestricted Donor Advised Funds in the amount of \$268,780, with \$185,330 paid to other charitable organizations, and a total of \$83,450 transferred to other funds of the Foundation. In 2016, the Board approved, as requested, spending from unrestricted Donor Advised Funds in the amount of \$292,251, with \$232,007 paid to other charitable organizations, and a total of \$60,244 transferred to other funds of the Foundation. Donor Advised Funds may also be temporarily restricted as to purpose.

**Evanston Community Foundation, Inc. and Subsidiary**  
Notes to Consolidated financial Statements  
December 31, 2017 and 2016

**NOTE 11 – NET ASSETS (Continued)**

*Temporarily restricted net assets* at December 31, 2017 and 2016, consist of:

	<u>2017</u>	<u>2016</u>
<b>Endowed, Temporarily Restricted Funds</b>		
Board-directed field of interest funds		
Acorn Fund	\$ 42,428	\$ 37,003
Shawn Patrick Afryl #56 Shoe Fund	17,839	14,394
All Our Sons Fund	240,916	217,488
Arts in Community Fund	231,286	208,649
Balkcom Family Fund for Literacy and Affordable Housing	48,290	43,486
Communityworks Fund	7,185,452	6,486,353
Cultural Diversity Fund	32,356	28,219
EDN Fund for Early Childhood	263,180	237,670
Leonard Fisher Fund for Nursing Education	70,969	62,739
Fund for Women and Girls	362,579	327,406
Green Communities Fund	47,596	41,284
Leadership Fund	516,625	446,515
Lydia Martin Memorial Fund for Children and the Arts	58,166	52,440
Lorraine Hairston Morton Fund for Youth	36,197	31,591
Sara Schastok Fund for Communityworks	144,403	130,350
Skokie Community Fund	77,950	56,525
Sweers Fund for Children and the Arts	72,073	60,368
YEA! Harvey Pranian Legacy Fund for the Arts	50,080	-
Faith Vilas Fund for Youth	91,229	82,406
	<u>9,589,614</u>	<u>8,564,886</u>
Donor-designated funds		
Beatty Family Scholarship Fund	98,165	88,524
William K. Beatty Medical History Scholarship Fund	80,343	71,465
Virginia L. and William Beatty Volunteer Service Award Fund	65,451	58,034
Chicago Urban Youth Scholarship Fund	420,767	378,892
Chuck Remen Memorial Fund	26,709	23,709
Evanston Men Promise Award Fund	5,595	5,139
Foster Reading Center Fund	121,180	108,521
Fund for Curt's Café	19,505	16,782
Grandmother Park Fund	21,002	19,028
Susan Willis Heiberger Memorial Garden Fund	28,201	26,440
Rayna and Marvin Miller Fund for Open Communities	63,633	57,508
Bruce E. Mitchell Short Story Fund	29,910	27,056
Norman W. Thomas Jr. Scholarship Fund	25,004	20,803
Rose and Andy Thomas Jr. Scholarship Fund	54,966	48,682
YWCA Evanston/North Shore Education Fund	32,150	29,004
	<u>1,092,581</u>	<u>979,587</u>
Subtotal - Endowed, Temporarily Restricted Funds	<u>10,682,195</u>	<u>9,544,473</u>

**Evanston Community Foundation, Inc. and Subsidiary**  
Notes to Consolidated financial Statements  
December 31, 2017 and 2016

**NOTE 11 – NET ASSETS (Continued)**

	<u>2017</u>	<u>2016</u>
Donor advised funds, restricted as to purpose, unendowed		
Friends of the Arts Fund	26,625	23,178
Jon Kimmel Memorial Fund	40,596	34,630
Avi Kurganoff Memorial Fund	52,678	45,966
Mickey’s Children’s Fund	57,505	37,927
David Mulder Mental Health Fund	<u>172,683</u>	<u>131,369</u>
	<u>350,087</u>	<u>273,070</u>
Other temporarily restricted funds, unendowed		
Acorn Spendable	500	500
Aspen Institute/Two Generation Initiative	10,288	10,288
Charitable Gift Annuities	41,730	37,040
Climate Action Fund	8,238	10,698
Communityworks Impact Fund	4,955	5,893
Evanston Cradle to Career	307,274	-
Evanston Gun Buyback Fund	12,388	12,388
Evanston Children’s Savings Fund	5,000	-
School Supplies Fund	270	3,213
Skokie Community Fund for Current Spending	-	7,932
Gifts Temporarily Restricted for Period after December 31	<u>163,760</u>	<u>43,008</u>
	<u>554,403</u>	<u>130,960</u>
Total temporarily restricted net assets	<u>\$ 11,586,685</u>	<u>\$ 9,948,503</u>

*Permanently restricted net assets* consist solely of the Anderson Fund.

**NOTE 12 – LEASE**

In November 2013, the Foundation signed a new sixty month lease agreement commencing July 1, 2014, for office space at One Rotary Center in Evanston, Illinois. The lease provides an allowance of \$45,500 for leasehold improvements and contains an ‘early out’ provision that becomes effective after the thirty-sixth month of the lease, subject to certain conditions. The lease provides for minimum rental payments of \$5,879 per month plus annual escalation, subject to additional rent for increases in taxes and operating expenses.

Rent expense was \$77,622 in 2017 and \$65,757 in 2016.

Future minimum base rental payments are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2018	\$ 90,124
2019	<u>42,330</u>
	<u>\$ 132,454</u>

**NOTE 13 – RETIREMENT AND PENSION PLAN**

The Foundation has a noncontributory 403(b) plan in place for eligible employees. Employees are eligible to participate on the first of the month following employment. Effective January 1, 2009, the plan was amended to conform to new regulatory requirements. The Foundation elected to make voluntary contributions to the plan of \$10,175 in 2017 and \$6,000 in 2016.

**NOTE 14 – RECLASSIFICATIONS**

Certain reclassifications have been made to the 2016 financial statements to conform to the 2017 consolidated financial statement presentation. These reclassifications had no effect on the change in net assets.

**NOTE 15 – FUTURE CHANGES IN ACCOUNTING PRINCIPLES**

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, “*Presentation of Financial Statements of Not-For-Profit Entities*,” which requires changes to the financial statements and notes for all not-for-profit entities. The Foundation expects to first apply the ASU during its fiscal year ending December 31, 2018.

The FASB issued ASU No. 2016-02, “*Leases*,” which requires lessees to recognize assets and liabilities on their balance sheet for all leases with terms of more than 12 months. The Foundation expects to first apply the ASU during its fiscal year ending December 31, 2020. The impact of applying the ASU has not yet been determined.

**NOTE 16 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 21, 2018, which is the date the consolidated financial statements were available to be issued.

**Evanston Community Foundation, Inc. and Subsidiary**  
Consolidating Statement of Financial Position  
June 30, 2017

	<b>Evanston Community Foundation</b>	<b>Evanston Cradle to Career, LLC</b>	<b>Eliminations</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,947,741	\$ 349,638	\$ -	\$ 2,297,379
Accounts receivable				
Pledges receivable	169,300	-	-	169,300
Investment income receivable	5,264	-	-	5,264
Other receivables	28,461	6,525	(10,820)	24,166
Investments, at fair value	22,720,507	-	-	22,720,507
Prepaid expenses and other assets	8,360	-	-	8,360
Leasehold improvements, furniture and equipment, net	36,333	-	-	36,333
Investment in Evanston Cradle to Career, LLC	<u>351,405</u>	<u>-</u>	<u>(351,405)</u>	<u>-</u>
 Total assets	 <u>\$ 25,267,371</u>	 <u>\$ 356,163</u>	 <u>\$ (362,225)</u>	 <u>\$ 25,261,309</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 22,224	\$ 23,889	(10,820)	\$ 35,293
Deferred revenue	29,730	-	-	29,730
Deferred lease incentive	13,650	-	-	13,650
Grants payable	234,143	25,000	-	259,143
Charitable gift annuities payable	9,875	-	-	9,875
Funds held as agency endowments	<u>4,528,880</u>	<u>-</u>	<u>-</u>	<u>4,528,880</u>
 Total liabilities	 <u>4,838,502</u>	 <u>48,889</u>	 <u>(10,820)</u>	 <u>4,876,571</u>
<b>NET ASSETS</b>				
Unrestricted	8,768,861	-	-	8,768,861
Temporarily restricted	11,630,816	307,274	(351,405)	11,586,685
Permanently restricted	<u>29,192</u>	<u>-</u>	<u>-</u>	<u>29,192</u>
 Total net assets	 <u>20,428,869</u>	 <u>307,274</u>	 <u>(351,405)</u>	 <u>20,384,738</u>
 Total liabilities and net assets	 <u>\$ 25,267,371</u>	 <u>\$ 356,163</u>	 <u>\$ (362,225)</u>	 <u>\$ 25,261,309</u>

**Evanston Community Foundation, Inc. and Subsidiary**  
Consolidating Statement of Activities and Changes in Net Assets  
Year Ended December 31, 2017

	<b>Evanston Community Foundation</b>	<b>Evanston Cradle to Career, LLC</b>	<b>Eliminations</b>	<b>Total</b>
<b>REVENUES</b>				
Support revenue				
Board-designated endowment and field of interest contributions	\$ 363,384	\$ -	\$ -	\$ 363,384
Operating contributions	1,101,955	-	-	1,101,955
Other fund contributions	<u>1,133,752</u>	<u>205,905</u>	<u>-</u>	<u>1,339,657</u>
	<u>2,599,091</u>	<u>205,905</u>	<u>-</u>	<u>2,804,996</u>
Program revenue				
Tuition and fees plus event revenue - net	<u>61,123</u>	<u>-</u>	<u>(6,300)</u>	<u>54,823</u>
Investment income (loss)				
Interest and dividends	620,025	206	-	620,231
Realized gains on investments, net	2,547,552	-	-	2,547,552
Unrealized gains on investments, net	111,655	-	-	111,655
Funds held as agency endowments	<u>(593,984)</u>	<u>-</u>	<u>-</u>	<u>(593,984)</u>
	<u>2,685,248</u>	<u>206</u>	<u>-</u>	<u>2,685,454</u>
Total revenues	<u>5,345,462</u>	<u>206,111</u>	<u>(6,300)</u>	<u>5,545,273</u>
<b>EXPENSES</b>				
Program services	<u>1,755,651</u>	<u>250,242</u>	<u>(6,300)</u>	<u>1,999,593</u>
Supporting services				
Management and general	203,247	-	-	203,247
Fund raising	<u>181,991</u>	<u>-</u>	<u>-</u>	<u>181,991</u>
	<u>385,238</u>	<u>-</u>	<u>-</u>	<u>385,238</u>
Total expenses	<u>2,140,889</u>	<u>250,242</u>	<u>(6,300)</u>	<u>2,384,831</u>
CHANGE IN NET ASSETS BEFORE OTHER ACTIVITIES	3,204,573	(44,131)	-	3,160,442
<b>OTHER ACTIVITIES</b>				
Contribution received in the acquisition of change in control of Evanston Cradle to Career, LLC	<u>351,405</u>	<u>-</u>	<u>-</u>	<u>351,405</u>
CHANGE IN NET ASSETS	3,555,978	(44,131)	-	3,511,847
Net assets, beginning of year	<u>16,872,891</u>	<u>351,405</u>	<u>(351,405)</u>	<u>16,872,891</u>
NET ASSETS, END OF YEAR	<u>\$ 20,428,869</u>	<u>\$ 307,274</u>	<u>\$ (351,405)</u>	<u>\$ 20,384,738</u>